

# **BUSINESS REPORT**

## **MONTANA SENATE TAXATION COMMITTEE 62nd LEGISLATURE ~ REGULAR SESSION**

**Date:** March 24, 2011

**Place:** Capitol

**Time:** 9:00 A.M.

**Room:** 405

### **BILLS and RESOLUTIONS HEARD:**

None

### **EXECUTIVE ACTION TAKEN:**

SB 94 ~ Do Pass As Amended

HB 107 ~ Be Concurred in As Amended

SB 274 ~ Tabled

SB 395 ~ Tabled

SB 396 ~ Tabled

SB 398 ~ Tabled

SB 411 ~ Do Pass As Amended

SB 413 ~ Do Pass As Amended


SB 401 ~ Amendment Added

SB 408 ~ Tabled

SB 407 ~ Tabled

(Previously withdrawn by sponsor)

### **COMMENTS:**

  
\_\_\_\_\_  
Senator Bob Lake, Vice Chair

MONTANA STATE SENATE  
ROLL CALL  
TAXATION  
COMMITTEE

DATE: March 24, 2011

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Tutvedt		✓
Vice Chair Lake	✓	
Senator Arthun	✓	
Senator Branae	✓	
Senator Erickson	✓	
Senator Essmann		✓
Senator Gillan	✓	
Senator Kaufmann	✓	
Senator Peterson		✓
Senator Van Dyk	✓	
Senator Vincent		✓
Senator Wittich	✓	

*12 Committee Members*



## SENATE STANDING COMMITTEE REPORT

March 24, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 94** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

*Senator Bruce Tutvedt, Chair*

**And, that such amendments read:**

1. Title, line 7.

**Strike:** "PREVENTING" through "COMPANIES;"

2. Title, page 1, lines 9 and 10.

**Following:** "15-31-323," on line 9

**Insert:** "AND"

**Strike:** "AND 15-31-326," on lines 9 and 10

3. Page 1, line 23.

**Following:** "States"

**Insert:** "that has more than 20% of its payroll and property assignable to locations inside the United States"

4. Page 2, line 5.

**Following:** "or"

**Insert:** "or"

5. Page 2, line 6 through line 9.

**Strike:** subsection (f) in its entirety

**Renumber:** subsequent subsections

6. Page 2, line 18.

**Strike:** "(1) (g)"

**Insert:** "(1) (f)"

7. Page 2, line 25.

**Committee Vote:**

**Yes 8, No 0**

**Fiscal Note Required** ☐

SB0094001SC.sdr

*OR*

**Strike:** "(1)(f)"

**Insert:** "(1)(e)"

8. Page 2, line 29.

**Strike:** "(1)(g)"

**Insert:** "(1)(f)"

9. Page 3, line 9.

**Strike:** "(1)(g)"

**Insert:** "(1)(f)"

10. Page 3, line 17.

**Strike:** "(1)(g)"

**Insert:** "(1)(f)"

11. Page 3, line 20.

**Strike:** ", (1)(f),"

12. Page 3, line 24 through page 4, line 1.

**Strike:** section 4 in its entirety

**Renumber:** subsequent sections

- END -



## SENATE STANDING COMMITTEE REPORT

March 24, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 107** (third reading copy -- blue) be concurred in as amended.

Signed:

A handwritten signature in dark ink, appearing to read "Bruce Tutvedt", written over a horizontal line.

*Senator Bruce Tutvedt, Chair*

To be carried by Senator Kim Gillan

**And, that such amendments read:**

1. Title, line 8.

**Following:** "PAYMENTS;"

**Insert:** "PROVIDING FOR AN AUDIT, AFTER NOTICE, OF COAL ROYALTIES PAID TO THE STATE;"

2. Page 1, line 18.

**Following:** "at"

**Strike:** "a"

**Insert:** "the legal"

**Strike:** "31-1-107"

**Insert:** "31-1-106"

3. Page 1, line 28.

**Insert:** "NEW SECTION. **Section 2. Audit -- notice -- action to compel payment.** (1) Except as provided in subsection (2), the department may, within 5 years of the filing of a report pursuant to 77-3-317, commence an audit of a lessee's or former lessee's operation to determine whether the report is complete and accurate and whether all royalties owed have been paid. The department shall notify the lessee in writing of the audit. The notice must describe the period for which the audit is being conducted. Upon conclusion of the audit, the department shall notify the lessee of the department's conclusions and, if the department has determined that additional royalties are owed, the

**Committee Vote:**

**Yes 8, No 0**

**Fiscal Note Required** \_\_

Handwritten initials "OK" in the bottom right corner of the page.

basis for that determination. An action to compel payment of royalties due must be commenced within 2 years of the date of mailing the notice.

(2) If a lessee or former lessee, with intent to evade payment of royalties, purposely or knowingly files a false report or purposely or knowingly fails to pay royalties owed, the department may conduct an audit and file an action to collect royalties at any time after the royalties are due."

**Renumber:** subsequent sections

4. Page 1, line 29.

**Strike:** "[Section 1] is"

**Insert:** "[Sections 1 and 2] are"

5. Page 1, line 30.

**Strike:** "[section 1]"

**Insert:** "[sections 1 and 2]"

- END -



## SENATE STANDING COMMITTEE REPORT

March 24, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 411** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

*Senator Bruce Tutvedt, Chair*

**And, that such amendments read:**

1. Page 1, line 18 through line 20.

**Strike:** "In" on line 18 through "taxpayer." on line 20

**Insert:** "When the department enters into a payment plan with a taxpayer that allows the taxpayer to make installment payments of delinquent taxes, interest, and penalties, the department may agree to waive an additional \$100 of interest per tax period if the taxpayer makes each payment required by the plan on or before the due date of the payment and complies in a timely manner with all other terms of the payment plan."

2. Page 2, line 21.

**Strike:** "(a)"

3. Page 2, line 23.

**Strike:** "late payment"

4. Page 2, line 26.

**Strike:** "(b)"

**Insert:** "(4)"

**Following:** "liable for"

**Strike:** "a"

**Insert:** "an additional"

5. Page 2, line 28.

**Following:** "penalty"

**Committee Vote:**

**Yes 8, No 0**

Fiscal Note Required ☐

SB0411001SC.sdr

OR

**Insert:** ", interest,"

6. Page 2, line 29.

**Strike:** "(c)"

**Insert:** "(5)"

7. Page 2, line 30.

**Following:** "is one"

**Insert:** "that is filed by a person"

8. Page 3, line 3.

**Following:** "penalty"

**Insert:** ", interest,"

9. Page 3, line 4.

**Strike:** "(4)"

**Insert:** "(6)"

**ReNUMBER:** subsequent subsections

10. Page 3, line 5.

**Strike:** "(4)(a)(i)"

**Insert:** "(6)(a)(i)"

11. Page 3, line 6.

**Strike:** "(4)(a)"

**Insert:** "(6)(a)"

12. Page 3, line 17.

**Strike:** "(5)(b)"

**Insert:** "(7)(b)"

13. Page 3, line 29.

**Strike:** "(4)(a)(i)"

**Insert:** "(6)(a)(i)"

**Strike:** "(5)(a)"

**Insert:** "(7)(a)"

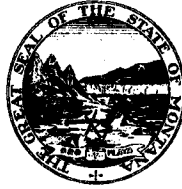
14. Page 4, line 1.

**Insert:** "COORDINATION SECTION. **Section 3. Coordination instruction.** If Senate Bill No. 199 is not passed and approved, then [this act] is void."

**ReNUMBER:** subsequent sections

- END -





## SENATE STANDING COMMITTEE REPORT

March 24, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 406** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

*Senator Bruce Tutvedt, Chair*

**And, that such amendments read:**

1. Title, page 1, lines 11 and 12.

**Strike:** "CLARIFYING" on line 11 through "MEDIATOR;" on line 12

2. Title, page 1, line 13.

**Following:** "15-23-104,"

**Insert:** "AND"

**Strike:** "AND 26-1-813,"

3. Page 12, line 7 through page 13, line 10.

**Strike:** section 10 in its entirety

**Renumber:** subsequent section

- END -

**Committee Vote:**

**Yes 7, No 5**

**Fiscal Note Required** \_\_\_\_

SB0406001SC.sdr

*DB*



## SENATE STANDING COMMITTEE REPORT

March 24, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 413** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

*Senator Bruce Tutvedt, Chair*

**And, that such amendments read:**

1. Title, page 1, line 6.

**Strike:** "A LEGAL FEDERAL HOLIDAY"

**Insert:** "CERTAIN FEDERAL HOLIDAYS OR FEDERALLY DECLARED  
DISASTERS"

2. Page 5, line 20.

**Following:** "(b)"

**Insert:** "(i)"

**Strike:** "legal federal"

**Following:** "holiday"

**Insert:** "defers a filing date as recognized by the Internal  
Revenue Service and"

3. Page 5.

**Following:** line 21

**Insert:** "(ii) The department may extend filing dates and defer  
or waive interest, penalties, and other effects of late  
filing for a period not exceeding 1 year for taxpayers  
affected by a federally declared disaster or a terroristic  
or military action recognized for federal tax purposes under  
26 U.S.C. 7508A."

4. Page 9, line 23.

**Following:** "(b)"

**Insert:** "(i)"

**Strike:** "legal federal"

**Committee Vote:**

**Yes 8, No 0**

Fiscal Note Required ☐

SB0413001SC.sdr

sk

**Following:** "holiday"

**Insert:** "that defers a filing date as recognized by the Internal Revenue Service and"

5. Page 9.

**Following:** line 24

**Insert:** "(ii) The department may extend filing dates and defer or waive interest, penalties, and other effects of late filing for a period not exceeding 1 year for taxpayers affected by a federally declared disaster or a terroristic or military action recognized for federal tax purposes under 26 U.S.C. 7508A."

- END -

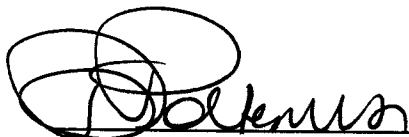
## BILL TABLED NOTICE

### SENATE TAXATION COMMITTEE

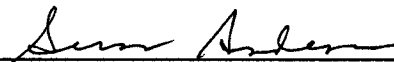
The SENATE TAXATION COMMITTEE TABLED

**SB 274 - Classify expansions to hydroelectric facilities for property tax purposes**  
**SB 395 - Extend class 14 tax classification to all new generating and fuel facilities**  
**SB 396 - Provide for nonresident and resident tax equity on business interest sales**  
**SB 398 - Adding a high income personal income tax bracket to increase progressivity**  
**SB 407 - Limit increases in centrally assessed property value for study**  
**SB 408 - Revise oil and gas "tax holiday"**

, by motion, on **Thursday, March 24, 2011.**



(For the Committee)



(For the Secretary of the Senate)

2:40 / 3-24-11  
(Time) (Date)

March 24, 2011

Debra Polhemus, Secretary

Phone: 1619  
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# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

BILL NO: SB274 MOTION: do pass as amend

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun		✓	
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann		✓	
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt		✓	✓

12 Committee Members

Vote: 4-8 fails

# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

BILL NO: SB395 MOTION: do pass as amended.

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann		✓	✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson		✓	✓
Senator Van Dyk		✓	
Senator Vincent		✓	✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

Vote: 4-8 fails

# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 23, 2011

BILL NO: SB 396 MOTION: do pass <sup>amend</sup>

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	✓

12 Committee Members

Vote: 5-7 fails

# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

BILL NO: SB 398 MOTION: to pass as amended.

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

Vote: 5-7 fails



# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

SB 406 be amended  
~~SB 406 be passed/amended~~

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		✓
Senator Vincent		✓	✓
Senator Wittich		✓	<del>✓</del>
Chairman Tutvedt		✓	✓

12 Committee Members

Vote: 5-7 fails

# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

SB406

dpaa

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

*12 Committee Members*

Vote: 7-5

# MONTANA STATE SENATE ROLL CALL VOTE

## TAXATION COMMITTEE

DATE: March 24, 2011

*SB 408 do pass*

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	✓

12 Committee Members

Vote: 5-7 fails

# AUTHORIZED SENATE COMMITTEE PROXY

I, Senator Kendall Van Dyk, request to be excused from the  
**TAXATION COMMITTEE**  
due to my other commitment. I desire to leave my proxy vote with:

Kim Gillan

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

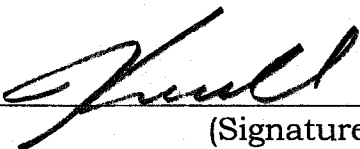
BILL/AMENDMENT

AYE NO

Amend.

SB 406 02. a1h	X	


Sen.

  
(Signature)

Date

3/24/11

**AUTHORIZED  
SENATE COMMITTEE PROXY**

I, Senator Jeff Essmann, request to be excused from the

**TAXATION COMMITTEE**

due to my other commitment. I desire to leave my proxy vote with:

**Vice Chairman Bob Lake**

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
SB 274		X			
SB 395		X			
SB 396		X			
SB 398		X			
SB 399		X			
SB 401 02		X			
SB 401	X				
SB 406	X	X			
SB 408		X			

Sen. \_\_\_\_\_

J. Essmann

Date \_\_\_\_\_

**AUTHORIZED  
SENATE COMMITTEE PROXY**

I, Senator Jim Peterson, request to be excused from the

**TAXATION COMMITTEE**

due to my other commitment. I desire to leave my proxy vote with:

**Vice Chairman Bob Lake**

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
SB 274	X	
SB 395		X
SB 396		X
SB 398		X
SB 399		X
SB 401 02		X
SB 401	X	
SB 406	X	
SB 408		X

BILL/AMENDMENT	AYE	NO

Sen.  \_\_\_\_\_  
J. Peterson

Date \_\_\_\_\_

# AUTHORIZED SENATE COMMITTEE PROXY

I, Senator Chas Vincent, request to be excused from the

## TAXATION COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
<del>SB 395</del> A-01 HB 107		
SB 274	X	
SB 395		X
SB 396		X
SB 398		X
SB 399		X
SB 401 02		X
SB 401	X	
SB 406	X	
SB 408		X

BILL/AMENDMENT	AYE	NO

Sen. Chas Vincent  
C. Vincent

Date \_\_\_\_\_

**AUTHORIZED  
SENATE COMMITTEE PROXY**

I, Senator Bruce Tutvedt, request to be excused from the

**TAXATION COMMITTEE**

due to my other commitment. I desire to leave my proxy vote with:

**Vice Chairman Bob Lake**

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
SR 274		X
SB 395	X	<del>X</del>
SB 396		X
SB 398		J
SR 399		J
SB 401 02		J
SB 401	J	
SB 406	X	
SB 408		X

BILL/AMENDMENT	AYE	NO

Sen. \_\_\_\_\_

B. Tutvedt

306A

Date \_\_\_\_\_